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Regents Approve Tuition Policy/Formula

BATON ROUGE, La. – The Board of Regents approved a Resident Tuition and Financial Aid Policy during its regular March meeting which could assist higher education in managing reductions to state general fund support. The policy authorizes institutions that are successful in meeting their GRAD Act targets to increase tuition up to the southern average, adjusted for median household income, based on the most recent Southern Regional Education Board (SREB) peer data. Passage of HB 275 by a 2/3 vote of both the House and Senate would place the Regents' approved, comprehensive tuition and fee policy into law.

"As the amount of state support for higher education declines, we have to find solutions that will enable institutions to increase revenue and protect critical student services," said Commissioner of Higher Education Jim Purcell. "This policy continues to mandate accountability at the campus level while creating a more predictable source of funding leading to improved budgeting and planning."

The policy, in accordance with R.S. 17:3129.5 establishes the framework for setting resident student tuition and fees by the respective management boards. Tuition and fee amounts under this policy are based on the number of courses taken by students. However, because the cost of TOPS is directly tied to tuition, the systems have agreed to waive any additional cost to the state general fund for students taking more than 12 hours. Additionally, management boards will be given the ability to establish differentiated tuition and fee schedules for high-cost academic programs as well s graduate and professional programs.

A critical component of the Tuition and Financial Aid Policy calls for institutions to establish a need-based financial aid fund using at least 5% of the additional tuition revenues realized as a result of the policy. Policies regarding the use of the need-based funds shall be approved by each management board. In an effort to improve retention rates, the newly-approved policy calls for need-based GO Grants to be packaged to meet 55% of total student financial need at four year institutions beginning in the Fall of 2013. This provision responds to recommendations made in a report by Noel-Levitz for the Board of Regents designed to optimize limited student financial aid funding.

The Board of Regents also approved the distribution of funding to public colleges and universities using the Performance Funding Formula. The allocation recommendation was sent to the Legislature on March 15th as required by law. Commissioner Purcell emphasized that increased tuition revenue should remain at the campuses that generate the funding, but also agreed to establish a more formal process for receiving input from the system offices throughout the budgeting cycle.

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“The overall funding formula is aligned with the outcomes we hope to achieve,” said Board of Regents Chairman Bob Levy. “I’m confident that any concern surrounding the formula has much more to do with the level of funding available to higher education versus the actual mechanics of how the money gets distributed. We certainly encourage and welcome discussion of the issues, as well as the solutions, with anyone willing to come to the table.”

Using all means of finance, the following initial recommendations were made to the Legislature as a result of the formula distribution :

REGENTS	\$ 67,404,666
LOSFA	\$ 244,827,443
LUMCON	\$ 8,027,273
LCTCS	\$ 304,540,004
LSU System	\$1,389,596,782
SU System	\$ 130,719,629
UL System	\$ 791,361,578
TOTAL:	\$2,936,477,375